

FISCAL NOTE
HB 1558 - SB 1739

March 10, 2001

SUMMARY OF BILL: Merges the University of Tennessee system into the State Board of Regents system to be managed and controlled by a new board. Renames the University of Tennessee Board of Trustees and the Tennessee Board of Regents as the *Board of Higher Education*. Abolishes the Tennessee Higher Education Commission.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - Net Impact - Exceeds \$1,500,000

Estimate assumes:

- some cost savings to higher education if administrative staff is reduced due to the consolidation of the two systems. There would also be some cost savings for travel and related expenses with only one board.
- cost savings of approximately \$1,725,000 due to abolishing the Tennessee Higher Education Commission. This cost is for the administrative function of the commission only. All other operations and functions of the commission would remain intact and would be transferred to the new board. Assumes the new board can absorb THEC state funded administrative responsibilities without the funds currently appropriated to THEC.
- a one-time increase in expenditures due to the cost of changing to a common accounting system and a common computer programming system in order to make the UT and the Board of Regents systems compatible.
- an increase in expenditures due to the elimination of salary differentials between the two systems.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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